

City and Town

Amy Pitter, Commissioner • Robert G. Nunes, Deputy Commissioner & Director of Municipal Affairs



A Publication of the Massachusetts Department of Revenue's Division of Local Services



New Officials and a New Partner

On Tuesday, May 29th at the College of the Holy Cross in Worcester, the Division of Local Services hosted its New Officials Finance Forum. The day began with welcoming remarks from Department of Revenue Commissioner Amy Pitter. From there, topics presented during the day-long seminar included an overview of municipal government, the budget process, the tax recapitulation process and reserve and debt policies. Mary Mitchell from the Bureau of Municipal Finance Law, Kathleen Colleary, Director of the Bureau of Municipal Finance Law, Jim Paquette from the Bureau of Local Assessment, Tony Rassias and Kathy Reed of the Bureau of Accounts and Joe Markarian of the Bureau of Municipal Databank Management and Technical Assistance all gave excellent and informative presentations. Donna Quinn, Sharyn Adelman and the entire DLS staff deserve congratulations for their hard work in coordinating and presenting at the forum. I'm proud to have been a part of it as the interactive seminar is yet another way we at DLS strive to provide technical assistance, training and oversight to assist cities and towns in the achievement of sound and efficient fiscal management.

In keeping with those efforts, we're pleased to help announce that Tim Sullivan has been appointed as Municipal Liaison for the Commonwealth of Massachusetts' Information Technology Division (ITD). In this role, Tim will be working with municipalities to identify opportunities for the state to provide local government-focused IT initiatives. In addition to working with ITD staff and Secretariat Chief Information Officers, he will work alongside the Operational Services Division, the Division of Local Services at

Department of Revenue and the Director of Local Policy at the Executive Office for Administration and Finance in coordinating IT projects with municipalities.

Since 2010, Tim has served as the Budget Specialist/Grant Administrator within the City of Boston Mayor's Office. In this position, he served under Mayor Thomas M. Menino as the liaison between the City of Boston and the U.S. Department of Energy (DOE) on issues related to ARRA funded grant projects, financial reporting, and performance tracking. Previously to the Mayor's Office, he served as a Program Coordinator for the Commonwealth of Massachusetts' Executive Office of Public Safety & Security (EOPSS). You can contact Tim at 617-626-4407 or Tim.L.Sullivan@state.ma.us.

We look forward to working with Tim and with you, our partners and stakeholders, in the coming weeks and months.

Robert G. Nunes
Deputy Commissioner & Director of Municipal Affairs

Municipal Databank Update

Lisa Juszkievicz, Databank Director, Municipal Data Management/ Technical Assistance Bureau

Following the release of the community comparison report last month, the Municipal Databank is pleased to announce the publication of additional user defined reporting tools to the DLS website. The most significant of these, the property tax trend report, enables users to create reports with up to ten years of data on a broad range of property tax information. The report includes data on assessed values by class, tax levies and tax rates by class, single-family tax bills, new growth, the CIP tax shift and parcel counts by usage codes for the years FY2003 through FY2012. Similar to the community comparison report, the user can narrow the query to create a peer group based on proximity, county boundaries, population or total budget ranges. Click [here](#) to access the property tax trend report.

In addition to releasing the property tax trend report, the Municipal Databank has begun to replace the static Excel spreadsheets located on the website with reports using the same technology as the community comparison and property tax trend reports. The first of these reports are property tax related and will provide users with quick, real-time access to individual data elements through direct query of the Gateway database. These individual reports are available on the Municipal Databank's Property Tax Information page which can be found by clicking [here](#).

As the Databank continues to build additional reports, we appreciate any feedback you may have as it can provide useful guidance in the development process. Please send any questions or comments about the reports or data to the Municipal Databank at databank@dor.state.ma.us.

Municipalities Win Dispute over Quinn Bill Pay

James Crowley, Esq., Bureau of Municipal Finance Law

In March, the Supreme Judicial Court ruled that the Quinn Bill does not require cities and towns to pay the State's share of police educational costs. Municipalities are only required to pay 50 per cent of the cost of providing educational benefits to police officers, plus any amount actually received from the Commonwealth. The Court held that communities may agree to pay more, but the statute did not require it. The decision is [Adams v. City of Boston](#), 461 Mass. 602 (2012).

In 1970, through the efforts of then Attorney General Robert H. Quinn and others, the Legislature enacted a local option statute to improve the educational level of police officers. Known as the Quinn Bill, M.G.L. Ch. 41 Sec. 108L established a career incentive pay program for police officers to earn degrees in criminal justice and law enforcement. Under this local option law, police officers receive a 10 per cent raise from their base salary for an associate's degree, a 20 per cent increase for a bachelor's degree and a 25 per cent increase for a master's degree in law enforcement or for a degree in law. A reimbursement provision was also contained in this statute which required the Commonwealth to cover one-half of the cost of such educational incentive payments.

The City of Boston adopted M.G.L. Ch. 41 Sec. 108L in 1998. The City's collective bargaining agreements (CBAs) with the various police unions provided that upon failure of the Commonwealth to meet its full payment obligation, the City would pay its 50 per cent share of the program plus the amount actually reimbursed by the Commonwealth.

In the case at hand, the Legislature significantly reduced the Quinn Bill appropriation for fiscal year 2010. An appropriation of fifty-five million dollars was needed to fully fund the Commonwealth's share, but only ten million dollars were appropriated. In September 2009 the City of Boston applied to the State for reimbursement of Quinn Bill payments made in fiscal year 2009. Under this educational incentive program, the City had paid about \$21,700,000 and expected to receive a \$10,850,000 reimbursement. However, it received \$1,900,000. Upon receiving this news from the Commonwealth, the City of Boston notified the police unions that Quinn Bill payments would be reduced by the City and cited the provision in the CBA which authorized such action.

In response, several Boston police officers sued the City in Superior Court claiming that the provisions in the CBA conflicted with M.G.L. Ch. 41 Sec. 108L and requesting the Court to order the City to pay the entire cost of the educational incentive program, regardless of reimbursement by the State. The cases were consolidated and transferred to the Single Justice, who reported the case to the full Supreme Judicial Court.

In a unanimous decision, the Supreme Judicial Court ruled that the CBA provision did not materially conflict with M.G.L. Ch. 41 Sec. 108L. In the Court's view, it was the intent of the Legislature to create a system of shared funding for this program. In an earlier case, Milton v. Commonwealth, 416 Mass. 471 (1993), the Town of Milton had sued the State to compel reimbursement upon the State's failure to pay its 50 per cent share of the costs for fiscal years 1988 to 1991 inclusive. In that case, the Court interpreted the statutory language "shall be reimbursed" to mean there was no absolute right to reimbursement. Instead, the Court held that M.G.L. Ch. 41 Sec. 108L had created only a conditional right to reimbursement which was subject to appropriation by the Legislature. The case did not address the amounts municipalities had to pay police officers when the State did not fully reimburse them.

The Court stated that M.G.L. Ch. 41 Sec. 108L was silent as to any further payments. It only required municipalities to pay one-half of the cost plus any amounts actually reimbursed by the Commonwealth. It also held that cities and towns could voluntarily agree to pay more under CBA provisions but M.G.L. Ch. 41 Sec. 108L did not require it.

According to the Court, the City of Boston's CBA provisions, requiring the City to pay a fifty per cent share plus any actual reimbursement, only mirrored the statute and did not conflict with or "amend" M.G.L. Ch. 41 Sec. 108L. For these reasons, the Court held that the CBA provision was valid. Consequently, under the terms of M.G.L. Ch. 41 Sec. 108L, cities and towns are not required to pay the State share of the Quinn Bill educational incentive program unless they choose to do so.

2012 Corporations Book Now Available

Municipal Data Management/ Technical Assistance Bureau

The latest edition of the Corporations Subject to Taxation in Massachusetts was published May 30, 2012 and is available on our [website](#). Annually, the Division of Local Services provides a comprehensive listing of corporations for Massachusetts' assessors to be used for local tax assessment purposes. These corporations include business entities, financial institutions and insurance companies registered to do business in Massachusetts as of January 1, 2012, including corporations that were granted "manufacturing" (M) status or whose manufacturing status was revoked (R).

Proposed 2012 Equalized Valuations

Bureau of Local Assessment

*(*Please note this information is a reprint of a June 1st, 2012 DLS Alert.)*

On June 1, 2012 the Bureau of Local Assessment will post the 2012 Equalized Valuations (EQVs) representing the full and fair cash value of all taxable property for each municipality as of January 1, 2012 to the Division of Local Services website at www.mass.gov/dls.

These EQVs will be used as a basis of comparison among the 351 municipalities within the Commonwealth for certain state and local purposes. Specifically, EQV is used in the allocation of aid to public libraries and reimbursement of school construction projects. Certain Cherry Sheet charges also use EQV: County Tax, Boston Metropolitan Transit District, Mosquito Control Projects and Air Pollution Control Districts. In addition, EQV is used in calculating a community's debt limit (MGL Ch.44, §10).

Informal Hearings will be conducted for the convenience of communities who wish to question their proposed EQV. These hearings will be held from June 4 through June 8, 2012. Bureau of Local Assessment representatives will meet personally with Boards of Assessors in Boston and/or conduct telephone conference calls to address concerns and discuss documentation submitted by assessors that support different values.

In addition, a Formal Public Hearing on the proposed 2012 Equalized Valuations will be held by the Department of Revenue's Bureau of Local Assessment in Boston, Massachusetts at the Saltonstall Building, 100 Cambridge Street, 6th floor conference room, on June 7, 2012 at 10:00 a.m.

June Municipal Calendar

June 1: Clerk Certification of Appropriations

This is done after City/Town Council or Town Meeting so the Accountant may setup accounts for each department in the municipality.

June 1: Assessors Determine Valuation of Other Municipal or District Land

In certain communities where land is owned by another community or district, the value of the land is determined by the Assessors in the year following a revaluation year, for in-lieu-of-tax payments.

June 1: DOR/BLA Notification of Proposed EQVs (even numbered years only)

June 1: DOR/BLA Notification of SOL Valuations (every 4th year after 2005)

June 10: DOR/BLA Concludes Public Hearings on Proposed EQVs (even numbered years only)

June 10: DOR/BLA Concludes Public Hearings on Proposed SOL Valuations (every 4th year after 2005)

June 15: DOR Commissioner Determines and Certifies Pipeline Valuations

June 15: Assessors Deadline for Appealing Commissioner's Telephone & Telegraph Valuations

June 15: Assessors Make Annual Preliminary Tax Commitment

The preliminary tax commitment must be based on the prior year's net tax on the property and may not exceed, with limited exceptions, 50% of that amount. This should be done early enough for the annual preliminary quarterly or semi-annual bills to be mailed by July 1.

June 20: Assessors Final Date to Make Omitted or Revised Assessments

As required by M.G.L. Ch. 59, Sections 75 and 76, if a property is inadvertently excluded or mistakenly under-assessed on the warrant for property taxes, it is the Assessors' role to correct the mistake and assess the property correctly. Such an assessment may not be made later than June 20 of the taxable year or 90 days after the date the tax bills are mailed, whichever is later.

June 30: State Treasurer Notification of Quarterly Local Aid Payments Before June 30

June 30: Assessors Overlay Surplus Closes to Surplus Revenue

Each year, any balance in the overlay reserve accounts in excess of the remaining amount of the warrant to be collected or abated in that year, is certified by the Assessors. The transfer from overlay reserves to the overlay surplus is done on the Assessors' initiative or within 10 days of a written request by the chief executive officer. Once in overlay surplus, these funds may be appropriated for any lawful purpose. Any balance in the overlay surplus at the end of the fiscal year shall be closed to surplus revenue and, eventually, free cash.

June 30: Assessors Physical Inventory of all Parcels for Communities that Accepted M.G.L. Ch. 59, Sec. 2A(a)**June 30: Taxpayer Deadline for Applying to Have Land Classified as Forest Land, M.G.L. Ch. 61**

According to M.G.L. Ch. 61, Section 6, this is the deadline to apply to the State Forester to have land classified as forest land.

June 30: Assessors Submit Annual Report of Omitted or Revised Assessments**June 30: Assessors Last Day to Submit Requests for Current Fiscal Year Reimbursements of Exemptions Granted Under the Various Clauses of Ch. 59, Sec. 5**

If an exemption is granted to a residential property owner, the property tax is lowered, and the city or town collects fewer tax revenues than anticipated. These exemptions are partially reimbursed by the state as indicated under "Payments for Loss of Taxes," section B of the Cherry Sheet. It is the responsibility of the Assessors to submit all exemptions to DOR so that the community may be reimbursed for statutory exemptions. If the Assessors fail to submit a request, the community's loss of tax revenues will not be offset by exemption reimbursements from the state. These reimbursements may not be filed retroactively for any year. If tax bills are mailed late, assessors may submit requests for reimbursement until August 20.

City & Town is published by the Massachusetts Department of Revenue's Division of Local Services (DLS) and is designed to address matters of interest to local officials.

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